

Legal Services, Law & Governance
7 Newington Barrow Way, London, N7 7EP

Report of: Interim Director of Law & Governance and Monitoring Officer

Meeting of: Council

Date: 13 July 2023

Subject: Standards Committee Report to Council - Updated Member Code of Conduct and Dispensations

1. Synopsis

- 1.1. As part of the review of the Constitution it is recommended that the remit of Standards Committee is extended to promote the Member Code of Conduct, receive the Annual Report on Member Standards and Conduct and grant interest dispensations. The Committee have been meeting this year to review and strengthen the Code of Conduct.
- 1.2. The Committee is also recommending that a general dispensation is granted to allow councillors to speak and vote in relation to a limited range of interests they may have in matters coming before council decision-making bodies. This will enable them to participate in meetings where these interests may arise but their position is shared with a significant proportion of other members of the council and/or in the community and transaction of council business might otherwise be impeded.

2. Recommendations

- 2.1. To note that the Code of Conduct for Members has been reviewed for compliance with the Local Government Association Model Councillor Code of Conduct 2020 and best practice.

- 2.2. To agree that personal interests (in paragraph 12 “Declarations of Interests”) be amended as detailed in tracked changes in **Appendix A**.
- 2.3. To agree that the dispensations detailed in paragraphs 3.12 and 3.13 of this report, be granted to all members in respect of participation in discussion and voting at meetings, with immediate effect until the Annual Meeting following the next local elections in 2026.
- 2.4. To agree that future requests for individual dispensations in respect of statutory and non-statutory disclosable interests are submitted to the Standards Committee for determination.

3. Background

Code of Conduct

- 3.1. The Standards Committee is responsible for:
 - a) Advising the council on the adoption or revision of the Code;
 - b) Considering whether complaints of breach of the Code should be investigated and hearing complaints which have been investigated.
 - c) Agreeing procedures for investigation of complaints of breach of the Code.
- 3.2. The system of regulation of standards of councillor conduct in England is governed by the Localism Act 2011. Local authorities are under a duty to promote and maintain high standards of conduct by their elected members and co-opted members. Every local authority must have a code of conduct for its members, which must be consistent with the “Seven Principles of Public Life”: selflessness, honesty, integrity, objectivity, accountability, openness and leadership. The code of conduct must also make provision for the registration and disclosure of pecuniary and other interests.
- 3.3. One of the Seven Principles of Public Life is the principle of integrity, that *“holders of public office must avoid placing themselves under any obligation to people or organisations that might try to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.”*
- 3.4. Members’ registration of personal interests should be guided by this duty. They should also give the Monitoring Officer who is responsible for the register of members’ interests any information they may request in order to keep that register up to date and any other information which members consider should be entered

in the register.

- 3.5 The council has adopted a Code of Conduct for its members which is in Part 6 of the Constitution and is on the council's website. All members need to register their disclosable interests – both disclosable pecuniary interests and other interests that must be declared and registered as required by the council's Code of Conduct for members or by members' duty to act in conformity of the Seven Principles of Public Life.
- 3.6 The Code was last updated by full Council on 9 December 2021 following an amendment to the Local Government Association Model Code of Conduct for Councillors introduced in 2020.
- 3.7 At the Standards Committee on 15 March 2023, the Code was also reviewed in accordance with the January 2023 Report by the Committee on Standards in Public Life titled *"Leading in Practice: A Review by the Committee on Standards in Public Life"*.
- 3.8 Officers have reviewed the codes of conduct of other (London) local authorities including Kensington & Chelsea, Lambeth and Westminster and the Local Government Association's Model Councillor Code of Conduct.
- 3.9 Following the review, the Standards Committee met on 28 June 2023 and agreed to extend personal interests to apply to councillors' family members, as follows:

"... my spouse, civil partner, parent, grandparent, child, grandchild, sibling, or anyone that I live with as a spouse or civil partner."

The proposed changes are detailed in Appendix A.

Dispensations

- 3.10. Section 31(4) of the Localism Act 2011 provides that a Member who has a disclosable pecuniary interest in any matter to be considered at a meeting may not participate in any discussion, or vote on the matter. However, by virtue of section 33, an authority may, on a written request by a Member, grant a dispensation relieving the member from either or both of the restrictions in Section 31(4) if criteria set out in section 33(2) of the Act are satisfied. Dispensations may also be granted in relation to the personal interests set out in the Code of Conduct.
- 3.11. The relevant criteria are that:
- (a) Without the dispensation the number of persons prohibited from participating in any particular business would be so great a proportion of

the body transacting the business as to impede the transaction of the business;

- (b) Without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business;
- (c) Granting the dispensation is in the interests of persons living in the authority's area; or
- (d) it is otherwise appropriate to grant a dispensation.

3.12. It is common practice in many other local authorities for a set of general dispensations for all members to be agreed for each administration, based on those that were included in the nationally applicable Code of Conduct that applied prior to the Localism Act 2011. These applied in respect of matters where the interest arose in the following circumstances:

- (i.) housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease;
- (ii.) school meals, extra-curricular activities, school organisation issues or school transport, and travelling expenses, where you are a parent or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;
- (iii.) an allowance, payment or indemnity given to members;
- (iv.) setting council tax or a precept under the Local Government Finance Act 1992.

3.13. A review of practice elsewhere suggests that it may also be appropriate to provide dispensations in respect of the following additional circumstances:

- (v.) Setting of Council Housing rent levels and approving the Housing Revenue Account (HRA): where the Councillor (or spouse or partner) holds a tenancy or lease with the Council [by way of clarification as these may be regarded as financial rather than Housing matters];
- (vi.) Housing benefit in relation to over arching budget reports: where the Councillor (or spouse or partner) receives housing benefit;
- (vii.) Adult Social Care in relation to overarching budget reports: where the Councillor (or spouse or partner) receives adult social care support.
- (viii.) For a Member in receipt of Council Tax Benefit in relation to Local Council Tax Support.

- (ix.) Government grants and related support and including cost of living grants.
 - (x.) Non Domestic Rates and Discretionary Rate Relief except where it affects the member's individual property.
- 3.14. Guidance issued by the Department for Communities in Local Government (DCLG) in September 2013 (Openness and Transparency on personal interests) states that the DCLG view is that Members do not need a dispensation to take part in the business of setting the council tax or precept or local arrangements for council tax support because this is a decision affecting the generality of the public in the area rather than Members as individuals. Nonetheless, it seems prudent to include these matters in the proposed general dispensations.
- 3.15. The dispensation for Council Tax relates to a Member's disclosable pecuniary interest and does not affect a Member's obligation under Section 106 of the Local Government Finance Act 1992 to declare and not vote if they are two months or more in arrears with their Council Tax when voting on setting the Council's budget.
- 3.16. It is proposed that the dispensations agreed take immediate effect and remain in place until the Annual Meeting following the next local elections in 2026.
- 3.17. At the Standards Committee meeting on 27 June 2023, recognising that the it will play a more active role in the ethical life of the Council in future, including reviewing and maintaining the Code of Conduct, the committee also agreed to recommend to Council that any requests for individual dispensations in respect of statutory and non-statutory disclosable interests are submitted to the Standards Committee, rather than full Council, for determination in future.
- 3.18. Upon receipt of a request for a dispensation by the Monitoring Officer, a meeting of the Standards Committee will be convened to determine the request against the criteria detailed in paragraph 3.11 of this report.
- 3.19. The proposed changes to the Code of Conduct for Members in respect of dispensations are also detailed in Appendix A.

4 Implications

4.2 Financial Implications

There are no financial implications.

4.3 Legal Implications

Section 28 Localism Act 2011 states as follows:

“(6) A relevant authority other than a parish council must have in place –

(a) Arrangements under which allegations can be investigated and

(b) Arrangements under which decisions on allegations can be made.

(7) Arrangements put in place under subsection (6)(b) by a relevant authority must include provision for the appointment by the authority of at least one independent person –

(a) whose views are to be sought, and taken into account, by the authority before it makes its decision on an allegation that it has decided to investigate, and

(b) whose views may be sought –

(i) by the authority in relation to an allegation in circumstances not within paragraph (a),

(ii) by a member, or co-opted member, of the authority if that person’s behaviour is the subject of an allegation, and

(iii) by a member, or co-opted member, of a parish council if that person’s behaviour is the subject of an allegation and the authority is the parish council’s principal authority...”

4.4 The legal implications in relation to the proposed dispensation arrangements are included in the body of the report.

4.5 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

There are no environmental implications.

4.6 Equalities Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The

council must have due regard to the need to tackle prejudice and promote understanding.

An Equalities Impact Assessment Screening Tool for all the proposed changes to the Constitution was completed on 24 April 2023. No negative impacts were identified therefore an Equalities Impact Assessment is not required for the purposes of this Report.

Strengthening the role of Standards Committee demonstrates that the Council is committed to high ethical standards and will support good relations and equality of participation in public life.

5 Conclusion and reasons for recommendations

- 5.5 It is recommended that the amendments to the Code of Conduct for Members and the future arrangements for dispensations are agreed to ensure that the Councils arrangements support its ambition to set high ethical standards. It is also recommended that the general dispensations detailed in this report are agreed to allow all councillors to participate in appropriate decision making.

Appendices:

Appendix A Proposed Amendments to the Member Code of Conduct

Background papers: None

Authorised by:

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Date: 29 June 2023

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Appendix A

Islington Code of Conduct for Members

Explanatory note: The following proposed changes to an extract from the Code of Conduct for Members are to clarify personal interests, the individuals in relation to which a councillor should declare an interest and the arrangements for granting dispensations:

12 Declaration of Interests

1. I understand that I am personally responsible for deciding whether or not to disclose an interest.
2. I understand that failure to disclose a Disclosable Pecuniary Interest, as set out in Table 1, below, is a criminal offence under the Localism Act 2011, for which an individual councillor may be prosecuted.
3. I understand that, if I am aware, I must also disclose any Disclosable Pecuniary Interests, as set out in Table 1, below, held by my partner, spouse, civil partner and/or a person with whom I am living as husband or wife or as if we are civil partners and declare that they have the interest.
4. I will register any Disclosable Pecuniary Interest within 28 days of my election, re-election or being appointed as a member, in accordance with “The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012”.
5. I will also register and disclose any Personal Interests which fall within the categories set out in Table 2 ‘Other Registerable Interests’ below.
6. I understand that, if I am aware, I must also disclose any Personal Interests, as set out in Table 2, below, held by my spouse, civil partner, parent, grandparent, child, grandchild, sibling, or anyone that I live with as a spouse or civil partner.
- ~~6.7.~~ If, at any time, my interests change or I have a new interest, I will update my register of interests within 28 days.
- ~~7.8.~~ I do review my interests annually, when requested to do so, to ensure that they remain correct.
- ~~8.9.~~ I understand that if I hold a ‘Sensitive Interest’, which in my view, if disclosed, could lead to myself or a person connected with me to be subject to violence or intimidation, I must notify the Monitoring Officer and that the interest will be withheld from the public register, if the Monitoring Officer agrees it is sensitive.
- ~~9.10.~~ If a matter arises at a meeting which directly relates to a Disclosable Pecuniary Interest held by me and included in my Register, I will disclose that I hold an interest and leave the room until the discussion and vote on the item is complete. This will be recorded in the minutes of the meeting.

- ~~40.11.~~ If I wish to participate in the discussion and vote on a matter which directly relates to a Disclosable Pecuniary Interest held by me, including a Sensitive Interest, I will seek a dispensation from [Standards Committee](#) ~~full Council~~ prior to the meeting at which the item I hold an interest in will be discussed. I acknowledge that dispensations may only be granted in limited circumstances.
- ~~41.12~~ If a matter arises at a meeting which directly relates to a Sensitive Interest held by me, I will disclose that I have an interest, but not provide details of what the interest is and will leave the room until the discussion and vote on the item is complete.
- ~~42.13~~ If a matter arises at a meeting which directly relates to a Personal Interest held by me, as detailed in Table 2, Other Registerable Interests, below, I will only speak on the matter if members of the public are also allowed to speak at the meeting. Where this is not the case I will leave the room until the discussion and vote on the item is complete, unless I have been granted a dispensation by [Standards Committee](#) ~~full Council~~ prior to the meeting.
- ~~43.14.~~ If a matter arises at a meeting which *directly relates* to my financial interests or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or the well-being of a relative or close associate, I will disclose the interest. I will only speak on the matter if members of the public are also allowed to speak at the meeting. Where this is not the case I will leave the room until the discussion and vote on the item is complete, unless I have been granted a dispensation by [Standards Committee](#) ~~full Council~~ prior to the meeting.
- ~~44.15.~~ If a matter arises at a meeting which affects my financial interests or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or the well-being of a relative or close associate or an organisation or body in which I hold a Disclosable Pecuniary Interest, I will disclose the interest. If I consider that the matter affects my financial interest or well-being to a greater extent than it affects the financial interests of the majority of the ward or borough's residents and I consider that a reasonable member of the public, knowing all the facts, might believe that it would affect my view of the matter, I will only speak on the matter if members of the public are also allowed to speak at the meeting. Where this is not the case, I will leave the room until the discussion and vote on the item is complete, unless I have been granted a dispensation by [Standards Committee](#) ~~full Council~~ prior to the meeting.
- ~~45.16.~~ If a matter arises at a meeting which I hold a Disclosable Pecuniary Interest in that I have not already disclosed, I will disclose the existence and details of the interest to the meeting, leave the room until the discussion and vote on the item is complete and formally notify the interest to the Monitoring Officer within 28 days of the meeting.
- ~~46.17.~~ If I hold a Disclosable Pecuniary Interest in a matter which falls to me in the exercise of a function, such as an Executive decision, I will notify the

Monitoring Officer of the interest and take no further steps in the matter other than arranging for it to be dealt with by someone else.

~~47.~~18. If I hold a personal interest in a matter which falls to me in the exercise of a function, such as an Executive decision, I will ensure that the written record of the decision includes a record of the existence and nature of my interest.

Table 1: Disclosable Pecuniary Interests:

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>

Land and Property	Any beneficial interest in land which is within the area of the council. 'Land' excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners (alone or jointly with another) a right to occupy or to receive income.
Licenses	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer
Corporate tenancies	Any tenancy where (to the councillor's knowledge)— <ul style="list-style-type: none"> (a) the landlord is the council; and (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/ civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
Securities	Any beneficial interest in securities* of a body where— <ul style="list-style-type: none"> (a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; and (b) either— <ul style="list-style-type: none"> (i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/ her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

* 'director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registerable Interests

You have a personal interest in any business of your authority where it relates to or is likely to affect:

a) any unpaid directorships

b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority

c) any body of which you are a member or in a position of general control or management

(i) exercising functions of a public nature

(ii) any body directed to charitable purposes or

(iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union) [of which you are a member or in a position of general control or management.](#)

Your register of interests allows the public, local authority employees and fellow councillors to know which of your interests might give rise to a conflict of interest. Details of your interests will be published on the website and a copy of the register will be available for inspection at the Town Hall during working hours. Publication is a legal requirement, but it also protects you by allowing you to demonstrate openness and a willingness to be held accountable and ensures that decision making is seen by the public to be open and honest.

If an interest is not already included in your published register of interests and it relates to a matter under consideration at a meeting, you must disclose it at that start of the relevant agenda item and to the Monitoring Officer within 28 days following the meeting, but it can be helpful for you to know before this time if others think that a potential conflict might arise and to allow time to seek a dispensation if you think it warranted.

If you cease to hold an interest, you should notify the Monitoring Officer who will remove the interest from your register.

[44.15](#). Dispensations

~~44.1~~[15.1](#) In limited circumstances, in cases (a) and (d) below, [Standards Committee](#) ~~full Council~~ can grant a dispensation to a member to allow them to speak and/or vote in respect of an item of business at a meeting where they have a Disclosable Pecuniary Interest under this Code.

44.2 [15.2](#) Dispensation can only be granted where the statutory grounds apply. The statutory grounds are:

(a) without the dispensation the number of persons prohibited from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business,

(b) without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business,

(c) granting the dispensation is in the interests of persons living in the council's area,

(d) without the dispensation each member of the authority's executive would be prohibited from participating in any particular business to be transacted by the Executive or a committee of the Executive, or

(e) it is appropriate to grant a dispensation for some other reason.

44.3 [15.3](#) A request for a dispensation must be submitted to the Council's Monitoring Officer in accordance with the council's procedure for dealing with Requests for Dispensations From Councillors. [The Monitoring Officer will arrange for Standards Committee to be convened to consider requests for dispensations.](#)

44.4 [15.4](#) If you are a member of the Executive and the meeting is a meeting of the Executive or a committee of the Executive you will also need a dispensation from the Chief Executive under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. The Chief Executive has issued a general dispensation that applies where a dispensation in respect of your Discloseable Personal Interest has been granted under this section of the Code so you will not need to make a special application.

44.5 [15.5](#) The Chief Executive may grant a dispensation to Executive members to allow them to speak and/or vote in respect of other conflicts of interest arising at a meeting of the Executive or a committee of the Executive.